



[6450-01-P]

DEPARTMENT OF ENERGY

Record of Decision for Issuing a Presidential Permit to Minnesota Power

AGENCY: U.S. Department of Energy.

ACTION: Record of decision.

SUMMARY: The U.S. Department of Energy (DOE) announces its decision to issue a Presidential permit to Minnesota Power, a regulated utility division of ALLETE, Inc. (Applicant), to construct, operate, maintain, and connect a new electric transmission line across the U.S./Canada border in northern Minnesota. The potential environmental impacts associated with the transmission line are analyzed in the *Great Northern Transmission Line Project Final Environmental Impact Statement* (DOE/EIS-0499). The transmission line would cross the U.S./Canada border in Roseau County, Minnesota and extend southeast approximately 220 miles to the proposed Iron Range 500-kilovolt (kV) Substation, located just east of the existing Blackberry Substation near Grand Rapids, Minnesota.

ADDRESSES: The Final Environmental Impact Statement (Final EIS) and this Record of Decision (ROD) are available on the DOE National Environmental Policy Act (NEPA) website at <http://energy.gov/nepa> and on the Great Northern Transmission Line (GNTL) Project EIS

website at <http://www.greatnortherneis.org/>. The EIS website also includes a list of libraries in Minnesota where the Final EIS is available for review.

Electronic copies of the Final EIS and this ROD may be requested by contacting Dr. Julie A. Smith, Office of Electricity Delivery and Energy Reliability (OE-20), U.S. Department of Energy, 1000 Independence Avenue SW, Washington DC 20585; by electronic mail to Juliea.Smith@hq.doe.gov; or by facsimile to 202-318-7761.

FOR FURTHER INFORMATION CONTACT: For further information on the GNTL Project EIS, contact Dr. Julie A. Smith at the addresses above, or at 202-586-7668. For general information on DOE's NEPA process, contact Carol Borgstrom, Director, Office of NEPA Policy and Compliance (GC-54), U.S. Department of Energy, 1000 Independence Avenue SW, Washington, DC 20585; by email to askNEPA@hq.doe.gov; or by facsimile to 202-586-7031.

SUPPLEMENTARY INFORMATION:

The EIS was jointly prepared by DOE and the Minnesota Department of Commerce –Energy Environmental Review and Analysis (DOC-EERA), acting as state co-lead, in order to avoid duplication and to comply with both federal and state environmental review requirements. The St. Paul District of the U.S. Army Corps of Engineers (USACE), the U.S. Environmental Protection Agency (EPA) Region 5, the Twin Cities Field Office (Region 3) of the U.S. Fish and Wildlife Service (USFWS), and the Red Lake Band of Chippewa Indians, Minnesota were cooperating agencies in preparing the EIS for the GNTL Project.

Background

Executive Order (EO) 10485 (September 9, 1953), as amended by EO 12038 (February 7, 1978), requires that a Presidential permit be issued by DOE before electricity transmission facilities may be constructed, operated, maintained, or connected at the U.S. border. DOE may issue or amend a Presidential permit if it determines that the permit is in the public interest and after obtaining favorable recommendations from the U.S. Departments of State and Defense. In determining whether issuance of a Presidential permit for a proposed action is in the public interest, DOE considers the potential environmental impacts of the proposed project, the project's impact on electricity reliability by ascertaining whether the proposed project would adversely affect the operation of the U.S. electric power supply system under normal and contingency conditions, and any other factors that DOE considers relevant to the public interest.

On April 15, 2014, Minnesota Power (the Applicant) applied to DOE for a Presidential permit to construct, operate, maintain, and connect an approximately 220-mile, 500-kV overhead, single circuit, alternating current (AC) electric power transmission system from the Canadian Province of Manitoba to the proposed Iron Range 500-kV Substation, located just east of the existing Blackberry Substation near Grand Rapids, Minnesota.

On October 29, 2014, the Applicant submitted an amendment to its Presidential permit application, changing the location of the proposed international border crossing approximately 4.3 miles east to cross the U.S./Canada border in Roseau County, Minnesota at latitude 49° 00' 00.00" N and longitude 95° 54' 50.49" W, which is approximately 2.9 miles east of Highway 89 in Roseau County.

The GNTL Project would be located on a new 200-foot-wide right-of-way (ROW) with a wider ROW required for certain spans at angle and corner structures, for guyed structures, or where special design requirements are dictated by topography. As part of the GNTL Project, the Applicant is also proposing to construct associated facilities including the proposed Iron Range 500-kV Substation, 500-kV Series Compensation Station, and three regeneration stations with permanent and temporary access roads.

Consultation

Pursuant to Section 7 of the Endangered Species Act (ESA), DOE has consulted with USFWS regarding potential impacts on federally-listed threatened or endangered species in the area of the GNTL Project. On October 29, 2015, DOE sent USFWS a letter requesting initiation of formal Section 7 consultation under the Endangered Species Act and submitted a Biological Assessment (BA), prepared by DOE. On April 26, 2016, USFWS issued a Biological Opinion (BO) indicating that the GNTL Project: “may affect, and is likely to adversely affect the northern long-eared bat (*Myotis septentrionalis*); may affect, but not likely to adversely affect gray wolf (*Canis lupus*), gray wolf critical habitat, and Canada lynx (*Lynx canadensis*);” and would result in no effect to other federally listed species. The BO further found that the GNTL Project is not likely to jeopardize the continued existence of the northern long-eared bat. The Presidential permit requires the Applicant to comply with all practicable means to avoid or minimize environmental harm, as required by USFWS. The BA is included as Appendix R of the Final EIS, and the BO is available on the GNTL Project EIS website (<http://www.greatnortherneis.org>).

DOE initiated consultation with the Minnesota State Historic Preservation Office (SHPO) under Section 106 of the National Historic Preservation Act regarding potential impacts on historic properties and determined the undertaking has the potential to adversely affect historic properties listed in or eligible for the National Register of Historic Places. On November 2, 2016, a programmatic agreement (PA) between DOE, Advisory Council on Historic Preservation (ACHP), the Red Lake Band of Chippewa Indians, Minnesota, and Minnesota SHPO was executed. The PA requires the Applicant to prepare a Cultural Resources Management Plan, which will meet the survey, data collection, and mitigation measures necessary, as identified by Minnesota SHPO. The PA is available on the GNTL Project EIS website (<http://www.greatnortherneis.org>).

NEPA Review

On June 27, 2014, DOE issued a Notice of Intent (NOI) (79 FR 36493) to prepare an EIS for the GNTL Project and to conduct Public Scoping Meetings. The NOI also indicated that because the GNTL Project would involve actions in floodplains and wetlands, the EIS would include a Floodplain and Wetland Assessment.

On June 26, 2015, DOE published a Notice of Availability (NOA) of the Draft EIS (80 FR 36795) that began a 45-day public review period. DOE held nine public hearings on the Draft EIS and received more than 200 comments. Concerns raised during the comment period were related to the following topics: the regulatory process/public involvement, purpose and need, project description/design, alternatives, human settlement, noise and vibration, air quality/greenhouse gases, socioeconomics, recreation and tourism, public health and safety,

aesthetics, land use and ownership, cultural resources, wetlands and water quality, and biological resources. See Section 1.4.4.1 of the Final EIS for additional information regarding these comments. DOE considered all comments received on the Draft EIS in the preparation of the Final EIS. Comment letters and detailed responses are included in Appendix Y of the Final EIS. Throughout the EIS process, DOE worked with the cooperating agencies to ensure that potential impacts were appropriately addressed. EPA announced the availability of the Final EIS on November 6, 2015 (80 FR 68867).

Alternatives Considered

In the EIS, DOE analyzed the No Action Alternative and the Proposed Action of granting a Presidential permit to authorize the Applicant to construct, operate, maintain, and connect a 500-kV transmission line across the U.S./Canada border. Under the No Action Alternative, DOE would not issue a Presidential permit for the proposed GNTL Project and the transmission line would not be built. Under the Proposed Action of granting the Presidential permit (the DOE Preferred Alternative), the transmission line would cross the U.S./Canada border in Roseau County, Minnesota at latitude 49° 00' 00.00" N and longitude 95° 54' 50.49" W. During the public scoping process, commenters proposed five alternative international border crossings, four of which DOE determined should be included for detailed analysis in the EIS.

DOE's Presidential permit decision is solely for the international border crossing; the proposed construction, operation, maintenance, and connection of the portion of the transmission line within the United States is a "connected action" to DOE's Proposed Action. See 40 Code of Federal Regulations (CFR) 1508.25(a)(1). In addition to the international border crossing

alternatives, the EIS analyzed the potential environmental impact associated with the Applicant's proposed route, the Applicant's alternative routes, and 22 alternative route segments and nine alignment modifications that were proposed by agencies and the public during scoping.

Analysis of Potential Environmental Impacts

The EIS analyzed potential environmental impacts associated with the alternatives for each of the following resource areas: human settlement, public health and safety, land-based economies, archaeological and historic resources, natural environment, rare and unique natural resources, use of paralleling existing corridors, electrical system reliability, and cumulative impacts. The analysis of potential impacts of the alternatives is described in the Summary and Chapter 6 of the Final EIS. This analysis assumes the implementation of all Applicant-proposed measures to minimize adverse impacts (Table 2-2 of the Final EIS).

DOE prepared a Floodplain and Wetland Assessment and Floodplain Statement of Findings in accordance with DOE regulations, 10 CFR part 1022 (Compliance with Floodplain and Wetland Environmental Review Requirements). The DOE Floodplain and Wetland Assessment, which contains the statement of findings, is available on the DOE NEPA website (<http://energy.gov/nepa>) and the GNTL Project website (<http://greatnorthern eis.org>). The assessment considered potential impacts to floodplains and wetlands. DOE concluded that the proposed international border crossing is not located in a 100-year floodplain. The MN PUC-approved Route Alternative for the electric power transmission line (a connected action to DOE's Presidential permit action) would cross 100-year floodplains that are too large to span. This would require construction and placement of transmission structures (towers) within

floodplains. No FEMA-designated 100-year floodplain has been identified in the locations proposed for associated facilities. Current design details and Applicant-proposed mitigation measures would minimize potential impacts to floodplains and wetlands to the extent practicable. Potential impacts to floodplain and wetland resources from the GNTL Project would not result in subsequent impacts to human lives and property. Therefore, DOE finds that potential impacts to floodplains will be avoided to the maximum extent practicable, that appropriate measures to minimize adverse effects on human health and safety and the functions and values provided by floodplains would be taken, and that the project would comply with applicable floodplain protection standards.

Implementation of the No Action Alternative would not result in changes to existing conditions and is therefore, the environmentally preferable alternative.

Comments Received on the Final EIS

Comment letters regarding the Final EIS were submitted to DOE by the U.S. Department of the Interior (DOI) Office of Environmental Policy and Compliance and EPA on December 3, 2015. Comments received on the Final EIS are available on the Minnesota Public Utilities (MN PUC) website (<http://mn.gov/commerce/energyfacilities/Docket.html?Id=33847>) and the GNTL Project EIS website (<http://www.greatnortherneis.org>).

DOI Comment Letter

On December 3, 2015, DOI submitted a comment letter that indicated that the Final EIS did not adequately address impacts to USFWS Interest Lands or compensatory mitigation. At that time

the MN PUC had not issued a Route Permit for the proposed GNTL Project and it was not clear if USFWS interest lands would be potentially impacted by the Project. The DOI comment letter further indicated that if impacts to USFWS Interest Lands occur, USFWS would consider compensatory mitigation mandatory before USFWS would grant a ROW permit. Because the designated route in the MN PUC-issued Route Permit crosses USFWS Interest land, a ROW permit from USFWS will be necessary. USFWS is conducting its own Environmental Assessment for that action using the Final EIS as a primary/major source of information to complete the USFWS analysis. However, DOE notes that the Applicant has adequately addressed the concerns articulated in the DOI comment letter related to impacts to USFWS Interest Lands and compensatory mitigation through the execution of a July 26, 2016, “Memorandum of Understanding (MOU) for Conservation Measures for the Great Northern Transmission Line Project.” The MOU can be found on the GNTL Project EIS website (<http://www.greatnortherneis.org>).

The December 3, 2015, DOI comment letter also indicated an appreciation that the Final EIS added a commitment that the Applicant would continue working with USFWS to determine which measures are appropriate for addressing potential impacts to migratory bird species from the GNTL Project and that any avoidance, minimization, and conservation measures imposed by USFWS would be addressed in the ROD or Presidential permit. DOI reiterated in the comment letter that pursuant to EO 13186 and the ESA, USFWS considers all three elements (avoiding, minimizing, and restoring/enhancing) necessary to adequately mitigate for impacts to listed species and migratory bird habitat. Following the publication of the Final EIS in November 2015, the Applicant and USFWS engaged in discussion for both mandatory and negotiable

mitigation opportunities. Compensatory mitigation agreements between the Applicant and USFWS have been developed as a part of the July 26, 2016, MOU discussed above. DOE conditioned its Presidential permit to require the Applicant to comply with all practicable means to avoid or minimize environmental harm as required by USFWS.

EPA Comment Letter

The December 3, 2015, EPA comment letter expressed an appreciation that the Final EIS incorporated additional information, analysis, clarification, and/or discussion regarding cultural resources, tribal consultation, and inclusion of a National Historic Preservation Act Section 106 draft PA. DOE notes that consultation under Section 106 of the National Historic Preservation Act has been completed and a PA between DOE, the ACHP, Red Lake Band of Chippewa Indians, Minnesota, and Minnesota SHPO was executed on November 2, 2016. The PA is available on the GNTL Project EIS website (<http://www.greatnortherneis.org>). The EPA comment letter also expressed an appreciation that the Final EIS incorporated estimates of construction emissions of criteria pollutants, CO₂, and greenhouse gases (this information is provided in Appendix W of the Final EIS).

The December 3, 2015, EPA comment letter indicated that the Final EIS did not identify the Applicant's proposed locations for access roads, laydown areas, stringing areas, fly-in sites, and potential pole locations along with their potential resources impacts. DOE notes that these detailed project components are not determined at this point in the development of the GNTL Project, and that the Final EIS discloses the potential nature of the (mostly temporary) impacts to resources such as wetlands and forests that may be expected from the construction and use of

such locations. Further, the BO indicates a commitment that the Applicant will work with USFWS to avoid, minimize, and mitigate potential impacts from the proposed GNTL Project once the necessary details are known. The DOE Presidential permit conditions require the implementation of all avoidance, minimization, and mitigation measures identified, not only in the Final EIS, but also in the Biological Opinion. The EPA comment letter also acknowledges the right of EPA to further review and comment on the GNTL Project during the USACE Clean Water Act Section 404 permitting process.

The December 3, 2015, EPA comment letter raised concerns regarding resource impacts and suggested the ROD include additional information to help ensure that adequate safeguards and mitigation measures are in place to fully protect the environment. The following is a summary of EPA recommendations from the agency's December 3, 2015, comment letter:

- The ROD should include the MN PUC Route Permit for the GNTL Project. DOE notes that the MN PUC Route Permit is available on the MN PUC website (<http://mn.gov/commerce/energyfacilities/Docket.html?Id=33847>), and the GNTL Project EIS website (<http://www.greatnortherneis.org>).
- The ROD should identify the plans, mitigation measures, and state and federal agencies' requirements that the MN PUC Route Permit requires the Applicant to develop and undertake, such as an Avian Mitigation Plan, Vegetation Management Plan (including control of invasive/noxious plant species), Erosion and Sediment Control Plan, and Stormwater Pollution Prevention Plan. DOE notes that development of these plans generally occurs during the permitting process and is not part of a Final EIS. The MN

PUC Route Permit for the GNTL Project identifies permit conditions, including the development of the various plans referenced by the EPA. The MN PUC Route Permit also identifies the appropriate agencies the Applicant will need to coordinate with to satisfy these permit conditions. The MN PUC Route Permit is available on the MN PUC website (<http://mn.gov/commerce/energyfacilities/Docket.html?Id=33847>), and the GNTL Project EIS website (<http://www.greatnortherneis.org>).

- The ROD should disclose why a particular plan and/or mitigation measure identified in the Final EIS is not a MN PUC Route Permit requirement. DOE notes that the MN PUC Route Permit requires adherence to mitigation measures in the Final EIS.
- A third party independent environmental inspector, such as the Minnesota Department of Natural Resources (MnDNR), should be utilized. The ROD should disclose whether or not an inspector will be used and if this is a requirement in the MN PUC Route Permit. DOE notes that the MN PUC Route Permit conditions indicate that the Applicant shall provide a dedicated independent environmental inspector to oversee the construction process and to monitor compliance with the Avian Mitigation Plan, Vegetation Management Plan, and requirements of the Construction Environmental Control Plan and all other environmental permits.
- The Applicant should pursue opportunities for emission reduction strategies during construction. The ROD should identify additional air quality measures that the Applicant proposed to utilize and/or MN PUC intends to include as conditions/requirements in the Route Permit. DOE notes that employment of additional emission reduction strategies during construction of the GNTL Project will be dependent on the Applicant to implement, as the GNTL Project is not expected to result in long-term adverse criteria

pollutant or climate change and greenhouse gas emissions. Information on construction emissions of criteria pollutants, CO₂, and greenhouse gases is provided in Appendix W of the Final EIS.

- The Applicant should undertake voluntary forest compensation for forest impacts that do not require compensation under existing federal and/or state regulations. The ROD should identify whether or not the Applicant will conduct voluntary forest compensation and the amount, location, and timing, if applicable. DOE notes that compensatory mitigation agreements between the Applicant and USFWS have been developed, as referenced in the February 12, 2016, DOI letter.
- The ROD should include the executed Section 106 PA and/or provide a direct link to the document. DOE notes that consultation under Section 106 of the National Historic Preservation Act is summarized under “Consultation” in this ROD. The PA is available on the GNTL Project EIS website (<http://www.greatnortherneis.org>).

DOE ascertains that all issues or concerns identified in the December 3, 2015, EPA and DOI comment letters, which are summarized above, have been addressed or are currently being addressed, principally through continued consultation between the Applicant and USFWS.

Decision

DOE has decided to issue Presidential permit DOE PP-398 to authorize the Applicant to construct, operate, maintain, and connect a 500-kV transmission line across the U.S./Canada border. The Presidential permit includes a condition requiring the implementation of the Applicant-proposed avoidance, minimization, and mitigation measures described in the Final

EIS, Biological Opinion, and the Section 106 Programmatic Agreement, all of which are included as conditions to the MN PUC Route Permit.

On April 11 2016, MN PUC issued a Route Permit to the Applicant for the proposed Blue Route, in combination with the Effie and Trout Lake Variations, as the designated route. The designated route is described as follows:

The international border crossing at the U.S./Canadian border is located at latitude 49° 00' 00.00" N and longitude 95° 54' 50.49" W, which is approximately 2.9 miles east of Minnesota State Highway 89 in Roseau County. From the international border, the designated route proceeds south 2.5 miles to 390th Street, approximately 0.5 miles east of 320th Avenue. The designated route then travels due east 6.5 miles to State Highway 310 before heading east-southeast approximately 12 miles to a point 0.5 miles west of CSAH 13/510th Avenue. From there, the designated route turns east and travels 2.3 miles to join the existing Minnkota Power Cooperative 230-kV transmission line. The designated route parallels the existing Minnkota 230-kV transmission line southeast for 1.8 miles where it meets the existing Xcel 500-kV transmission line. Beginning at 0.1 mile north of U.S. Highway 11, where the existing transmission lines intersect, the designated route parallels the existing Xcel 500-kV transmission line generally south and east for approximately 36.2 miles.

The designated route leaves the Xcel 500-kV transmission line approximately 1 mile south of the intersection of 19th Street SW and 65th Avenue SW in Lake of the Woods County. The designated route then proceeds east for 5.9 miles before turning northeast for 1.4 miles to rejoin

the existing Minnkota Power 230-kV transmission line just west of its intersection with Pitt Grade Road NW. The designated route then parallels this existing 230-kV transmission line in an easterly direction for 31 miles to a point 0.3 miles west of Township Road 118 in Koochiching County. The designated route then proceeds south-southeast for 8.3 miles to Sandsmark Trail, 0.3 miles north of CSAH 32. The designated route travels south for 1.8 miles and then continues southeast for 21.4 miles where it intersects State Highway 71, approximately 4.2 miles northeast of Big Falls. The designated route continues an additional 9.6 miles to the southeast where it rejoins the existing Minnkota 230-kV transmission line and follows this existing transmission line south for 12.4 miles.

At this point the existing Minnkota 230-kV and Xcel 500-kV transmission lines meet and begin running parallel to the east and then south. The designated route parallels these existing transmission lines east and then south for 39.9 miles to a point 0.7 miles west of State Highway 65, 0.1 miles north of the Prairie River. At this point the existing transmission lines turn southeast while the designated route turns south-southwest and continues for 7.8 miles to approximately 0.6 miles west of Fork Lake Road and Harrison Lake and approximately 0.6 miles northeast of Kennedy Lake. The designated route then runs west-southwest for 2.1 miles before turning due south toward Grass Lake. The designated route travels south for approximately 5 miles where it crosses CSAH 56 and CSAH 8 before reaching a point just south of its crossing of CSAH 57, approximately 0.6 miles west of County Road 58. The designated route turns southwest again for 3.7 miles before turning south for 5.2 miles where it passes between Little Diamond Lake and Big Diamond Lake and meets U.S. Highway 169. From U.S. Highway 169, the designated route heads south-southeast for 1.6 miles. At the Swan River, the designated route

heads south for 4.2 miles where it meets and generally parallels an existing Minnesota Power 230-kV transmission line east for 1.2 miles to the proposed Iron Range Substation.

The MN PUC Route Permit includes associated maps and conditions of the Route Permit. The MN PUC Route Permit is available on the MN PUC website (<http://mn.gov/commerce/energyfacilities/Docket.html?Id=33847>), and the GNTL Project EIS website (<http://www.greatnortherneis.org>).

Basis for Decision

DOE determined that the Proposed Action is in the public interest. The decision by DOE to grant a Presidential permit is based on consideration of the potential environmental impacts, impacts on the reliability of the U.S. electric power supply system under normal and contingency conditions, and the favorable recommendations of the U.S. Departments of State and Defense provided, respectively, in July and August of 2015.

DOE has determined that the proposed international electric transmission line would not have an adverse impact on the reliability of the U.S. electric power supply system. In reaching this determination, DOE considered the operation of the electrical grid with a specified maximum amount of electric power transmitted over the proposed transmission line. DOE reviewed the System Impact Study (MH-US TSR Sensitivity Analysis) conducted by the Midcontinent Independent System Operator (MISO) on the new transmission for the MH-US south bound (summer) and US-MH north bound (winter) transmission service requests (TSRs) on the proposed 500-kV GNTL - Dorsey-Iron Range 500-kV transmission line, from the Minnesota-

Manitoba border to a new Iron Range 500-kV substation near Grand Rapids, Minnesota. In addition, DOE reviewed the GNTL Stability Analysis prepared by Siemens PTI, the Short Circuit Study prepared by Power Engineers, and the New Tie Line Loop Flow Impact study report submitted by Minnesota Power. These studies are available on the GNTL Project EIS website (<http://www.greatnortherneis.org>). DOE also considered MISO's interconnection standards and its restrictions on any requested transmission service to and from the proposed interconnection.

Mitigation

All practicable means to avoid or minimize environmental harm from the Proposed Action have been, or will be, adopted. Applicant-proposed measures to avoid and minimize adverse impacts are described in Section 2.13 (Table 2-2) of the Final EIS, and the Applicant will be responsible for implementing these avoidance and minimization measures. Additional measures will be required through the permitting process and as a result of ongoing consultations. The Presidential permit is conditioned on the Applicant's compliance with all commitments and requirements outlined in the BA, BO, PA, Final EIS, and MN PUC Route Permit.

Issued in Washington, DC, on November 15, 2016.

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[FR Doc. 2016-28091 Filed: 11/21/2016 8:45 am; Publication Date: 11/22/2016]